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U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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June 5, 2008

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The Honorable Daniel R. Levinson
Inspector General
U.S. Department of Health and Human Services
Office of Inspector General
330 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Levinson:

We are writing to request that the Office of Inspector General, Department of Health and Human Services (OIG) conduct an updated audit to assess the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act Title I and Title II grantees' monitoring of subgrantees. In 2004, the OIG issued its audit report of the oversight of the program's subgrantees. In light of continuing management concerns, we believe the OIG should re-examine the oversight of these funds.

In 2001, news accounts highlighted several instances of questionable spending by grantees and subgrantees that were subject to Federal and State investigations. As a result, there were concerns that the Health Resources and Services Administration (HRSA) did not appear to exert clear and consistent oversight over its CARE Act grantees, nor require, or otherwise monitor, grantees' oversight of their subgrantees.

Again in 2006 and 2007, various news reports exposed embezzlement and financial mismanagement of funds by subgrantees in San Juan, Puerto Rico, and Broward County, Florida. These continuing incidents indicate that the lack of oversight remains problematic. We are also interested in the status of OIG investigations into these two programs. We are also aware of another subgrantee serving Volusia and Flagler Counties in Florida, where an employee of the subgrantee was convicted of embezzling other federal money (provided by a Housing and Urban Development grant) who was also allegedly embezzling HRSA funds. That subgrantee is now defunct.

The 2004 OIG report found that the selected grantees did not have comprehensive documentation to demonstrate that they were monitoring their subgrantees systematically. This

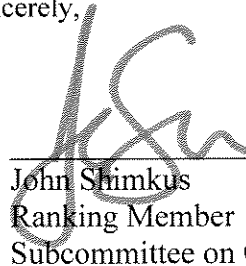
limited monitoring raised concerns then and continues to do so today. However, the 2004 OIG report only focused on 100 subgrantees. The OIG concluded in its report that the monitoring of subgrantees needed to be strengthened. To increase oversight, the OIG recommended that HRSA (1) set standards for grantees' monitoring of subgrantees that require proper documentation and site visits, (2) require grantees to report how they monitor their subgrantees in accordance with these standards, and (3) increase efforts to monitor grantees' oversight of subgrantees. Therefore, in addition, the Committee requests that the OIG determine the status of HRSA implementation of these recommendations.

Thank you for your consideration of this request. If you have any questions, please do not hesitate to contact Alan Slobodin or Krista Carpenter of the Republican Committee Staff at (202) 225-3641.

Sincerely,



Joe Barton
Ranking Member



John Shimkus
Ranking Member
Subcommittee on Oversight and Investigations

cc: The Honorable John D. Dingell, Chairman
Committee on Energy and Commerce

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigations